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PP RUEHROV
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FM AMCONSUL JERUSALEM
TO RUEHC/SECSTATE WASHDC PRIORITY 9061
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

UNCLAS JERUSALEM 001963

SIPDIS

SENSITIVE
SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR
GOLDBERGER/SHAMPAINE/BELGRADE; NSC FOR ABRAMS/SINGH/WATERS;
TREASURY FOR HARRIS/LOEFFLER/NUGENT/HIRSON; BRUSSELS FOR
LERNER

E.O. 12958: N/A

TAGS: ECON EFIN IS KWBG PTER

SUBJECT: HAMAS MAKES CHARITY AND SALARY PAYMENTS FOR RAMADAN

¶1. (SBU) Former Palestinian Authority (PA) Prime Minister Ismayil Haniyah of Hamas told worshippers at a Gaza mosque on September 14 that his Gaza administration would pay USD 100 each to 40,000 unemployed Palestinians during Ramadan. Haniyah also pledged to cover USD 12 million in salaries for 16,000 public sector employees whom the PA has cut from the payroll. Ismayil Mahfuz, a Hamas "deputy finance minister" in Gaza, reportedly said his "ministry" has funds available to cover Haniyah's pledges. Mahfuz added that the "ministry of labor" will prepare a list of persons eligible to receive the USD 100 unemployment payment and distribute vouchers to them.

¶2. (SBU) In another example of Hamas' Ramadan campaign, Haniyah announced a USD 50,000 donation to Kamal Udwan Hospital in Bayt Lahiya, northern Gaza. A delegation of Hamas Palestinian Legislative Council members delivered the money to the hospital director on September 16.

¶3. (SBU) Palestinian contacts in Gaza tell us that Hamas appears to have sufficient funds to cover its Ramadan promises. They report that Hamas has been paying "loyal" government workers for the past two months. The payments are usually made directly in cash or through post offices. (Comment: The cash payments are generally made in dollars. End comment.) Hamas is also resorting to what one source called "ad hoc tax and duty collection" and other creative revenue-raising measures -- for example, collecting "duties" from anyone entering Gaza with cigarettes or alcohol, charging fees to "legalize" cars without papers, and collecting electricity bill payments door-to-door (all in cash). Hamas, he said, is "very effective in collecting money."

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